

## Message Text

PAGE 01 COTONO 00908 051318Z  
ACTION AF-10

INFO OCT-01 ADS-00 ONY-00 /011 W  
-----066780 051326Z /47

P 051145Z JUL 75  
FM AMEMBASSY COTONOU  
TO AMEMBASSY LAGOS PRIORITY  
SECSTATE WASHDC PRIORITY 1736

UNCLAS COTONOU 0908

FOR WACASC-WCF

NO DISTRIBUTION OUTSIDE AF/EX

E.O. 12065: NA  
TAGS: AFSP, AREC  
SUBJ: SURPLUS CHAMPAGNE AND BEER

REF: LAGOS 7695

1. HAVE FOUND PROSPECTIVE BUYER FOR SURPLUS BEER AND CHAMPAGNE.  
FIRM NAMED MAWULE, A LARGE, REPUTABLE WHOLESALER IN COTONOU,  
IS INTERESTED IN PURCHASING ENTIRE WACASC STOCK OFFERED REFTEL.

2. ADMIN OFFICER AND FSN ASSISTANT MET WITH REPRESENTATIVE OF  
FIRM ON JULY 3. OFFERED THEM QUANTITIES LISTED REFTEL, BUT  
CAUTIONED THAT THEY ARE SLIGHTLY LESS NOW. QUOTED THEM THE  
FOLLOWING PER CASE PRICES:

BRAND DOLLARS CFA (213.325/DOLLAR)

A. BUDWEISER 7.75 1653  
B. SCHLITZHK 7.50 1600  
C. CARLING BLACK L. 7.00 1493  
D. CARLING ALE 7.25 1547  
E. CORDON ROUGE 140.00 29,866  
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PRICES QUOTED ABOVE ARE 20 TO 25 CENTS PER CASE HIGHER THAN  
WACASC'S DESIRED MINIMUM PRICES. WE EXPLAINED TO MAWULE THAT  
DOLLAR PRICES CONSTANT AND CFA PRICE WOULD DEPEND UPON DAILY  
EXCHANGE RATE.

3. NOT SURPRISINGLY, WE WERE TOLD PRICE WAS TOO HIGH. WE REPLIED  
THAT AUTHORITY TO REDUCE PRICE WOULD HAVE TO COME FROM LAGOS  
BUT THEY ARE STILL INTERESTED. AS BEST WE CAN TELL FROM HAVING  
WATCHED THEM CALCULATE THEIR RESALE PRICE, WE CAN PROBABLY STRIKE

A DEAL IF THEIR RESALE PRICE WERE REDUCED 75 CENTS A CASE. POSSIBLY THIS CAN BE DONE WHILE STILL MAINTAINING WACASC MINIMUM PRICES. SINCE TAXES ARE BASED UPON COMMODITY COST, SEPARATE BILLING FOR TRANSPORTATION AND ADMINISTRATIVE COSTS SHOULD SIGNIFICANTLY REDUCE PURCHASER'S TAX LIABILITY. SUGGEST WACASC REVIEW ITS ACCOUNTING TO DECREASE AS MUCH AS POSSIBLE COMMODITY COST OF BEER AND CHAMPAGNE AND TRANSFER EXPENSES TO TRANSPORT, ETC.

4. PURCHASER WISHES TO HAVE GOODS DELIVERED TO COTONOU. WACWGF TRUCK CAN BE MET AT BORDER BY MAWULE REPRESENTATIVE AND CLEARED THROUGH CUSTOMS. ALTHOUGH MAWULE WILLING TO TAKE DELIVERY AT BORDER IF NECESSARY.

5. ON THE QUESTION OF SPOILED GOODS, IT IS CUSTOMARY FOR THE PURCHASER TO HAVE 72 HOURS WITHIN WHICH TO INSPECT MERCHANDISE AND REJECT SPOILED ITEMS.

6. MAWULE FIRM MAKING QUICK SURVEY OF MARKETPLACE TO DETERMINE IF THEY WISH TO PURCHASE SCHLITZ BEER. THERE ARE SEVERAL THOUSAND CASES OF UNSOLD SCHLITZ BEER IN PORT NOW, SO THEY ARE BEING CAUTIOUS BEFORE BUYING ANY. THEY HAVE AGREED TO CONTACT US SHORTLY.

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7. MAWULE REPRESENTATIVES REFUSED TO GO TO LAGOS TO DISCUSS SALE. REQUEST THAT WACASC OFFICER WITH AUTHORITY TO CLOSE DEAL TRAVEL TO COTONOU. WILL MAKE ARRANGEMENTS FOR MEETING WITH MAWULE AS SOON AS POSSIBLE.

8. LEFT OUR MEETING AT MAWULE OPTIMISTIC THAT WE CAN STRIKE A BARGAIN: THEIR INTEREST SEEMED STRONG; THE PRICE WE ASKED WAS NOT MUCH ABOVE WHAT WE THINK THEY WILL ACCEPT. HOWEVER, YOU'D BETTER COME READY TO BARGAIN. IT'S NOT A SELLER'S MARKET FOR BEER AND CHAMPAGNE IN COTONOU, PRIMARILY BECAUSE OF THE IMPORT BANS IN NIGERIA. THE THOUSANDS OF CASES OF UNSOLD SCHLITZ IN THE PORT WERE ON THE HIGH SEAS TO LAGOS WHEN THE BANS TOOK EFFECT. MANY NIGERIAN IMPORTERS ARE IN A CORNER AND ARE SELLING BANNED GOODS HERE, INCLUDING BEER, AT A LOSS.

9. ACTION REQUESTED: PLEASE INFORM US OF EXACT QUANTITIES OF BEER AND CHAMPAGNE STILL FOR SALE. AFFIRM THAT WACASC STAFF MEMBER CAN TRAVEL TO COTONOU TO BARGAIN WITH MAWULE FIRM. EMBASSY COTONOU STAFF WILL ASSIST WACASC REPRESENTATIVE AT ANY MEETINGS. DAVISON

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## Message Attributes

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